

Minutes Houston, TX

SDDC Meeting for the Bulk Fuel Movements Carrier

DATE:	October 6, 2004	
ATTENDEES:	The following team members were present for this meeting:	
	<ul style="list-style-type: none">➤ Elvin Knollman➤ Larry Little➤ Cathy Hollenbach➤ Maureen Carlo➤ John Culmer➤ Hank Albrecht➤ Karla Ward➤ Van Matthew	<ul style="list-style-type: none">➤ Malory McDonald➤ Steve Tucker➤ David Rouse➤ Ed Bell➤ Joe Kingston➤ William Russell➤ Carolyn Wooten➤ Jack Shearer
	<i>Note:</i> See Attachment A. This document provides contact information for those Carrier members attending this meeting	
FACILITATOR:	George Harris	
SUMMARY BY:	George Harris	

October 6, 2004

Mr. Culmer presented the same information to this set of carriers as he did in Springfield, VA. The following were comments received from the carriers

Destination vs. Origin Focus

- Jet Star wanted to be able to make deliveries to add destinations in his area, regardless of origin. A number of carriers believed that this would be unfair to the carrier “of note” at a specific origin. Transmark also said that the contract should be destination-based.
- Barnett wants to be guaranteed at least eleven (11) months of volume. This can be done if the contract is linked to the fuel buying program.
- Universal felt that company contracts should be put in place when a specific DSVP goes down, similar to the tender system. Barnett said that if they were asked to change destinations within 100 miles, they would not be competitive.

Rates

- Coastal said that hours and miles are key aspects of rates. He would like monthly minimums, a specific dollar amount per month per truck used, or 12-22 hours per truck on the road. This can also be tied to gallons. Jet Star indicated that they would not bid if the minimums were 5% of volume.
- Barnett said that commercial customers were moving away from mileage rates to point-to-point rates. Under a FAR contract, there will be no backup. They like the tender system. Under tenders, there are no penalties. They don't want penalties. They will give better discounts based on volume at a specific origin-destination pair.

Solicitation Requirements

- Barnett indicated that under TTC, they provided a substantial amount of data that wasn't evaluated. Large customers ask for similar information, but in less detail than Government
- Coastal said that the Government can poll receiving activity for information about service
- Domino spent 700 hours on preparing their proposal and felt that the Government didn't review the information. If the Government wants to award based on low price, it should not require this amount of data
- Tideport said that they would prefer to stay with the current tender system. They also felt that it would be difficult to keep 2-3 carriers interested in a site if decisions were made on low price
- Transmark wants to be a prime carrier at every destination. It should be the carrier's decision to determine what loads to carry
- Barnett indicated that it could be difficult to price dead-ended lanes with changed origins. Penalties are okay, as long as they get higher volumes
- Barnett and United Petroleum agreed that the Government should award a CLIN to a carrier if it is listed in the RFP

Length of Contract

- Jet Star said that its commercial customers provide a three (3) year contract. Escalators are included for fuel costs
 - The Government is receiving a 5-6% surcharge; commercial customers are being charged 10-13%
 - Increases in insurance costs should also be included
- Coastal gets three (3) year contracts, with annual adjustments.
- Barnett would like to re-bid if fuel services/origins change
 - Commercial contracts allow for termination by carrier for convenience
- Regional commented that if the Government can change carriers every year based on rates, the contract turns into a one-year contract
- Barnett said that if a carrier can handle all the volume, they should receive a three (3) year contract. They would like to see the #1 carrier get a 75% share a second carrier get 25%

Hours of Operations

- Jet Star noted that base hours do vary. United indicated that some bases have one line for loading operations. Barrett said the hours are generally 8AM-4PM, but some bases want deliveries by noon or 1PM
- Transmark indicated that commercial customers have one-hour detention rules

Other Issues

- The carriers were interested in whether there will be small business set-asides. A few carriers indicated that even though they were included in a large carrier proposal for business, after award they did not receive any request for services
- There was interest about whether the Government will still buy its fuel FOB delivered. This fact was confirmed by DLA, although volumes will be known at the time of the annual fuel bid.

ATTACHMENT A

Bulk Fuel Tank Movements Carrier Attendee Roster October 6, 2004 Houston, TX					
NAME (Last, First, MI) [include rank/title if applicable]	ORGANIZATION	MAILING ADDRESS	PHONE/FAX NUMBERS	EMAIL ADDRESS	BUSINESS SIZE
Knollman, Elvin	Elvin L. Knollman, Inc. d/b/a Transmark		Phone: 812-689-4215	transmark@suscom.net	Small
Little, Larry	Domino Transports, Inc.		Phone: 580-323-2929	llittle@elmersmithoilco.com	Large
Hollenbach, Cathy	SDDC		Phone: 757-878-8382	hollenbachc@sddc.army.mil	
Carlo, Maureen	SDDC		Phone: 757-878-8877	carlom@sddc.army.mil	
Culmer, John	SDDC/SDAQ		Phone: 703-428-2016	culmerj@sddc.army.mil	Large
Albrecht, Hank	Wynne Transport		Phone: 402-392-4001	halbrecht@wynnetr.com	Large
Ward, Karla	Tideport Dist.		Phone:	karla@tideport.com	Small
Matthew, Van	Tideport Dist.		Phone: 281-862-9668	karla@tideport.com	Small
McDonald, Malory	Coastal Transportation		Phone: 713-284-1010		Large
Tucker, Steve	Barnett Transportation		Phone: 205-759-5113		Small
Rouse, David	Barnett Transportation		Phone:	drouse@barnetttransportation.com	
Bell, Ed	Jet Star		Phone:	ebell@jetstarinc.com	Small
Kingston, Joel	Trimac		Phone:	jkingston@trimac.com	Large/Small
Russell, William					PRGS
Wooten, Carolyn	Unpo			cwooten@otl-upt.com	Large